

RESOLUTION NO. 74570

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ ACCEPTING A REVISED SUMMARY OF COSTS AND FINDINGS OF THE 33433 REPORT PURSUANT TO THE CALIFORNIA HEALTH AND SAFETY CODE SECTION 33433 FOR THE SALE AND DEVELOPMENT OF PROPERTY LOCATED AT 1696 STORY ROAD AND 1101 SOUTH KING ROAD, UNDER THE TERMS AND CONDITIONS OF THE DISPOSITION AND DEVELOPMENT AGREEMENT AS AMENDED WITH IMWALLE PROPERTIES

WHEREAS, the Redevelopment Agency of the City of San Jose ("Agency") is presently engaged in redevelopment activities in the Story Road Redevelopment Project Area ("Project Area"); and

WHEREAS, the Agency owns property located at 1696 Story Road and 1101 South King Road on the southwest corner of the intersection of King and Story Roads ("Site"); and

WHEREAS, on June 5, 2007, the Agency Board approved a Disposition and Development Agreement ("DDA") with Imwalle Properties, for the development of the Site for commercial use; and

WHEREAS, Agency staff is recommending that the Agency Board approve a First Amendment to the DDA to assist with unexpected and additional environmental remediation costs at the Site in an amount not to exceed \$800,000, and to provide for cost sharing related to these additional environmental costs; and

WHEREAS, Community Redevelopment Law provides in Section 33433 that (1) before any property acquired, in whole or in part, with tax increment monies is sold or leased for development pursuant to a redevelopment plan, such sale or lease shall first be approved by the City Council, after a duly noticed public hearing of the City Council,

and (2) the Agency shall make available for public inspection a copy of the proposed sale or lease and a summary which describes the financial aspects of the transaction; and

WHEREAS, a revised Summary Report has been prepared pursuant to Health & Safety Code Section 33433, containing a summary of the key terms of the Project, costs, and other information required by Section 33433, and said report and copies of the proposed First Amendment to the DDA were made available to the public for inspection prior to the hearing, as required by Community Redevelopment Law; and

WHEREAS, the Section 33433 Revised Summary Report concludes that the consideration for the Property is not less than the fair market value at its highest and best use and with the covenants and conditions and development costs authorized under the DDA as amended; and

WHEREAS, the proposed disposition and development of the Site will assist in the elimination of blight by creating a coordinated retail environment that is attractive and safe for families with pedestrian seating areas, plazas for outdoor eating and other amenities; providing support for existing and new merchants and broadening the merchandise mix and customer draw; and by increasing employment, both during construction and after construction; and

WHEREAS, notice of a joint public hearing by the City Council and the Agency Board on the proposed First Amendment to DDA has been duly published in accordance with the Community Redevelopment Law; and

WHEREAS, the joint public hearing of the Agency Board and the City Council was held on August 26, 2008;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The summary of costs and the findings of the revised Summary Report pursuant to California Health and Safety Code Section 33433 for the disposition and development of property located at 1696 Story Road and 1101 South King Road on the southwest corner of the intersection of King and Story Roads is hereby accepted; and
2. The City Council finds that the project will assist in the elimination of blight and is consistent with the Agency's Implementation Plan for the Story Road Redevelopment Project Area; and
3. The City Council finds that the consideration that the Agency will receive is not less than the fair market value at its highest and best use.

ADOPTED this 26th day of August, 2008, by the following vote:

AYES: CHIRCO, CHU, CORTESE, LICCARDO, NGUYEN,
OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CAMPOS, CONSTANT, WILLIAMS.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk